

50X1-HUM

CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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SECURITY INFORMATION

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1. Following continuous passive resistance against enforced unpaid overtime work in factories since the beginning of 1953, there have been spontaneous food riots in many parts of Rumania.
2. Outside Bucharest and the larger cities of Rumania, there has often not been enough Militia available to stop the rioters immediately and at times it has not even been possible to effect arrests and punish the rioters. In some places the Militia has, for the first time, shown reluctance in proceeding against rioters, partly because of their insufficient strength and partly because they realize that a point has been reached where it is becoming impossible to keep hungry people under control. It has become evident that the Militia is too thinly spread to be effective against any large-scale country-wide rising against the regime.
3. The complete lack of food on either the legal or black markets on certain days has become so frequent that the people have become demoralized and will do anything to obtain food.
4. The discrepancy between wages and the prices of essentials, including the majority of the rationed goods on the legal market, is now very wide. Wages have been rigorously pegged to their immediate post-devaluation levels, i.e., an average of 275 lei per month in the larger urban centers and about 220 lei per month elsewhere, while prices of goods on the legal markets have increased since the 1952 devaluation to the prices they had then attained on the black market. In many cases this represents a three- or four-fold increase.
5. The following examples of price increases in rationed goods on the legal market since the 1952 devaluation are averages, which vary somewhat according to the district. The prices quoted are for one kilogram.

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STATE	X	ARMY	X	NAVY	X	AIR	X	FBI		AEC					
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	<u>1952</u>	<u>Present Time</u>
Bread	0.9 lei	2.50 lei
Meat	6 - 11 lei	20 - 30 lei
Sugar	6 lei	22 lei
Cooking Fat	8 lei	30 - 40 lei

6. One reason for this sharp increase in prices lies in the enforced export of large quantities of food to the Soviet Union and other Cominform countries in exchange for machinery and raw materials which in their turn are used to produce further industrial goods for the Soviet Union. Some of these Rumanian agricultural and industrial products are sold on world markets and to the West against hard currency, while Rumania is paid in devalued Rumanian currency at the lowest price levels.
7. Of the 1952 wheat crop of some 2.5 million tons almost one million tons are exported to the Soviet Union alone. In recent years more than half a million good milk cows have been exported to the Soviet Union, so that there are now only about 1.6 million cows left in Rumania.
8. The other principal reason for the price increases and lack of food on the home market results from the enforcement of agricultural collectivization. Since the introduction of collectivization the acreage of crops has gone down and with it, the yield per hectare.
9. People such as Party chiefs, experts and directors of industrial plants, who have money, are now converting it into anything of value that they can lay their hands on as they believe another devaluation to be inevitable.

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